

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

CHICKEN SOUP FOR THE SOUL
ENTERTAINMENT INC., *et al.*,¹

Debtors.

Chapter 7

Case No. 24-11442 (MFW)

(Jointly Administered)

**Related To: D.I. Nos. 225, 226, 283,
397, 399, 463, 465**

Hearing Date:

November 14, 2024 at 11:00 a.m. (ET)

**STIPULATION WITHDRAWING OMNIBUS OBJECTION [D.I. 283] TO
RETENTION APPLICATIONS [D.I. 225 AND 226] AND RELATED
PLEADINGS [D.I. 397, 399, 463 AND 465] WITH CONSENT TO ENTRY
OF PROPOSED ORDERS AUTHORIZING RETENTION APPLICATIONS**

George L. Miller, the duly appointed chapter 7 trustee of the above referenced Debtors (the “Trustee”), by and through his proposed counsel, on the one hand, and Chicken Soup for the Soul, LLC (“CSS”) and William Rouhana (“Rouhana,” and

¹ The Debtors in these chapter 7 cases, along with the last four digits of each Debtor’s federal tax identification number (where applicable), are: 757 Film Acquisition LLC (4300); Chicken Soup for the Soul Entertainment, Inc. (0811); Chicken Soup for the Soul Studios, LLC (9993); Chicken Soup for the Soul Television Group, LLC; Crackle Plus, LLC (9379); CSS AVOD Inc. (4038); CSSESIG, LLC (7150); Digital Media Enterprises LLC; Halcyon Studios, LLC (3312); Halcyon Television, LLC (9873); Landmark Studio Group LLC (3671); Locomotive Global, Inc. (2094); Pivotshare, Inc. (2165); RB Second Merger Sub LLC (0754); Redbox Automated Retail, LLC (0436); Redbox Entertainment, LLC (7085); Redbox Holdings, LLC (7338); Redbox Incentives LLC (1123); Redwood Intermediate, LLC (2733); Screen Media Films, LLC; Screen Media Ventures, LLC (2466); and TOFG LLC (0508).

together with CSS, the “Objectors”), by and through their counsel,² on the other hand, hereby stipulate and agree as follows:

RECITALS

WHEREAS, on August 12, 2024, the Trustee and the Strategic Review Committee of the Chapter 11 Debtors and the Chapter 11 Debtors (together with the Trustee, the “Applicants”), respectively filed: (i) *Application Of The Strategic Review Committee And The Debtors For Authorization To Employ And Retain Pachulski Stang Ziehl & Jones LLP As Chapter 11 Counsel* (the “327(a) Application;” D.I. 226); and (ii) the *Application Of The Chapter 7 Trustee For An Order Authorizing The Retention Of Pachulski Stang Ziehl & Jones LLP As Special Litigation And Transactional Counsel* (the “327(e) Application;” D.I. 225, and together with the 327(a) Application, the “Applications”);

WHEREAS, on August 28, 2024, the Objectors filed their *Omnibus Objection* to the Applications (the “Objection;” D.I. 283);

WHEREAS, on October 17, 2024, the Objectors filed their Motion to Exclude the 327(a) Application (the “Motion to Exclude;” D.I. 397 and 399);

WHEREAS, on November 7, 2024, the Applicants filed their *Opposition To The Motion To Exclude* (the “Opposition to Motion to Exclude;” D.I. 463 – 465);

² The Trustee and Objectors are hereinafter collectively referred to as the “Parties.”

WHEREAS, the Applicants were prepared to file their Reply to the Objection on November 8, 2024, which date was extended to November 12, 2024, in order to allow the Parties the opportunity to document the agreements set forth in this Stipulation;

WHEREAS, pursuant to the Applications and Objection, the Parties engaged in extensive discovery, including but not limited to: (i) the exchange of no less than 1,084 documents (which included the production of over 6,000 pages); (ii) the exchange of written discovery; and (iii) the taking of six (6) depositions under oath, including five (5) depositions of the Applicants and Pachulski Stang Ziehl & Jones LLP (“PSZJ”);

WHEREAS, on Friday, November 8, 2024, the Parties engaged in constructive, good faith, arms-length, discussions pursuant to Fed. R. Civ. P. 408, and the Parties have concluded that it is in the best interests of the Debtors and the Debtors’ estates that the Applications be approved subject to the terms of this Stipulation, and in the Debtors’ and the Debtors’ estates’ best interests that the Parties work together to maximize value for the Debtors’ estates;

WHEREAS, after extensive discovery, exchange of documents, and further discussions, the Parties reached agreement on certain clarifications to the proposed form of Orders authorizing the Applications thereby resolving the Objection without the necessity of a contested hearing; and

WHEREAS, the Parties have agreed that the terms of the Stipulation will be incorporated into the proposed Orders approving the Applications.

STIPULATION

WHEREFORE, the Parties stipulate and agree:

1. Subject to final review and incorporation of the salient terms of this Stipulation into the proposed Orders approving the Applications, the Objectors shall withdraw the Objection and the Motion to Exclude, and the Applicants will withdraw their Opposition to the Motion to Exclude and will not file the Reply on behalf of Applicants in support of the Applications.

2. The Objection is withdrawn with respect to the 327(a) Application, and is withdrawn with respect to the 327(e) Application in accordance with the terms of this Stipulation set forth below.

3. The Trustee on behalf of the Chapter 7 estates in accordance with his fiduciary duty and PSZJ (to the extent requested by the Trustee and agreed to by PSZJ), or other counsel selected by the Trustee, will investigate and, if appropriate, pursue any claims or causes of actions the Chapter 7 estates may have or hold against HPS Investment Partners, LLC, any of its related entities, and their members, directors, affiliates or professional advisors.

4. The Trustee on behalf of the Chapter 7 estates in accordance with his fiduciary duty and PSZJ (to the extent requested by the Trustee and agreed to by

PSZJ) or other counsel selected by the Trustee, will investigate and, if appropriate, pursue any claims or causes of action the Debtors' Chapter 7 estates may have or hold in connection with the acquisition of Redbox in 2022.

5. The Trustee on behalf of the Chapter 7 estates in accordance with his fiduciary duty will investigate, if appropriate, and pursue, if appropriate, any claims or causes of action that the Chapter 7 estates may have or hold against any Strategic Review Committee formed or appointed by the pre-petition debtors or post-petition debtors, provided however, that PSZJ shall be excluded, absent further order of the Court or agreement of the Parties, from any such investigation or the pursuit of any such claims against, the Strategic Review Committee and any of its following members: Robert Warshauer, John Young, Fred Cohen or Bart Schwartz.

6. For the avoidance of doubt, and subject to the agreements set forth herein, the Trustee on behalf of the Chapter 7 estates in accordance with his fiduciary duty and PSZJ (to the extent requested by the Trustee and agreed to by PSZJ), or other counsel selected by the Trustee, may investigate and, if appropriate, pursue any claims or causes of action.

7. For the avoidance of doubt, nothing in this Stipulation shall bar or preclude the Objectors from any rights they may have to seek to participate, join in, or object to any claims, causes of action, litigation or settlements pursued by the Trustee on behalf of the Chapter 7 estates, and nothing in this Stipulation shall bar

or preclude the Trustee from asserting any rights he may have to seek to enjoin or object to the Objectors seeking such relief. Moreover, nothing in this Stipulation shall waive any defenses, rights, claims, causes of action the Objectors may have or hold; nor shall anything in this Stipulation preclude Objectors from initiating any claims, causes of action or litigations they may have or hold, and nothing in this Stipulation shall bar or preclude the Trustee from asserting any rights he may have to seek to enjoin or object to the Objectors seeking such relief.

8. The Objectors reserve all rights to object to any application for the payment of any fees or expenses of PSZJ or any other professional retained by the Chapter 11 Debtors that may submitted to the Court.

9. Each party shall bear their own costs and expenses associated with the Applications, the Objection, the Motion to Exclude, the Opposition to the Motion to Exclude and the Reply.

10. The Trustee on behalf of the Chapter 7 estates in accordance with his fiduciary duty, and the Objectors agree to continue good faith negotiations regarding the termination and treatment of the License Agreement with CSS and the assets subject thereto.

11. Subject to final review of the Orders approving the Applications in accordance with the terms herein, the Objectors consent to the entry of the Orders approving the Applications without the need for further hearing.

Dated: November 11, 2024

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